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Message Text

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53
ACTION XMB-07

INFO OCT-01 ARA-16 ISO-00 OPIC-12 SS-15 NSC-10 L-03 AID-20

CIAE-00 COME-00 EB-11 FRB-02 INR-10 NSAE-00 RSC-01

TRSE-00 SPC-03 CIEP-02 LAB-06 SIL-01 OMB-01 INT-08

DRC-01 /130 W
---------- 122266
P 020100Z OCT 73
FM AMEMBASSY SANTIAGO
TO SECSTATE WASHDC PRIORITY 5978

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PASS EXIM BANK AND OPIC

EO 11652: N/A
TAGS: EFIN CI
SUBJ: CHILEAN REQUEST FOR EINSTATEMENT OF EXIM BANK CREDIT

1. FLAVIAN LEVINE, CONFIRMED IN HIS POSITION AS GENERAL MANAGE OF GOVERNMENT STEEL CORPORATION (CAP) AND ALSO RECENTLY NAMED CHAIRMAN OF CAP BOARD, CALLED ON ME OCT 1 TO DISCUSS POSSIBILITY OF REACTIVATING 1967 EXIM LOAN NO. 2381. LEVINE SAID $13.3 MILLION OF THAT LOAN HAD NOT BEEN USED WHEN FURTHER DRAWDOWNS WERE FROZEN BY EXIM BANK ON JAN 13, 1972. CAP, ACCORDING TO CENTRAL BANK CERTIFICATE, SINCE THEN HAS CONTINUED TO DEPOSIT ESCUDOS WITH CENTRAL BANK TO COVER ITS SCHEDULED REPAYMENTS TO EXIM BANK EVEN THOUGH CENTRAL BANK HAS REFUSED TO MAKE FOREIGN EXCHANGE AVAILABLE FOR LOAN REPAYMENTS. ESCUDO DEPOSITS COVER CREDIT NO. 2381 AND CREDIT NO. 374/502.

2. LEVINE STRESSED IMPORTANCE NEW GOVERNMENT PLACES ON EXPANDING STEEL PRODUCTION AS IMPORTANT PART FOR REVIVING CHILE'S ECONOMY. HE SAID CAP CURRENTLY HAS ON ORDER
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OR WILL ORDER SOON APPROXIMATELY $4 MILLION OF US EQUIPMENT

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FOR WHICH FINANCING IS NEEDED. LEVINE ASKED IF THE UNDISBURSED
PORTION OF LOAN NO. 2381 COULD BE REACTIVATED TO COVER THIS
AND OTHER CAP PURCHASES. HE POINTED OUT THAT REACTIVATION
OF THIS LOAN WOULD HAVE VIRTUE OF BEING QUICK WAY OF FINANCING
BADLY NEEDED IMPORTS FOR A KEY INDUSTRY.

3. ACTION REQUESTED:

I WOULD APPRECIATE ADVICE ON PRESENT THINKING IN WASHINGTON
CONCERNING FUTURE EXIM BANK POLICY TOWARD CHILE.
IF WE CAN BE RESPONSIVE TO CAP'S REQUEST, AND I HOPE WE CAN,
GOC CAN BE SO INFORMED AND ASKED TO MAKE AN OFFICIAL
REQUEST FOR RESUMPTION OF DISBURSEMENT.
DAVIS

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Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
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Current Classification: UNCLASSIFIED
Concepts: n/a
Control Number: n/a
Copy: SINGLE
Draft Date: 02 OCT 1973
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: golinofr
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
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Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
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From: SANTIAGO
Handling Restrictions: n/a
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ISecure: 1
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Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
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Page Count: 2
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Previous Handling Restrictions: n/a
Reference: n/a
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Review Comment: n/a
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Review Event:
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Review Media Identifier:
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Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
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To: STATE
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